Exhibit A

Exhibit A in its entirety has been submitted to Judge Griesa's chambers. Relevant excerpts of voluminous exhibit are attached via ECF.

Recourse obligation assumed	(50)
Gain on sale	$ 7,566

3. Doral Financial retains MSRs and IOs with a carrying amount of $624,000 and $5.0 million, respectively, and recognizes a recourse obligation of $50,000. Simultaneously, the allocated carrying amount of the IOs, which are classified as securities held for trading, will be adjusted to its fair value of $5.9 million.

Retained Interest Valuation

Doral Financial's sale and securitization activities generally result in the recording of two types of retained interest: MSRs and IOs. MSRs represent the estimated present value of the normal servicing fees (net of related servicing costs) expected to be received on the loan over the expected term of the loan. IOs represent the estimated present value of the excess of the weighted-average fixed coupon of the loans underlying the mortgage loan pool sold over the sum of (1) the contractual interest rate required to be paid to investors and (2) a normal servicing fee after adjusting such amount for expected losses and prepayments. The contractual rate payable to investors may be either a fixed or floating rate. In the case of non-conforming loan pools, which constitute 94% of the IOs portfolio, it is generally a floating rate based on a spread over the 3-month LIBOR that resets quarterly. Generally, the loans sold are subject to interest rate caps set at or below the weighted-average coupon (less the servicing fee) on the pools of loans and to a lesser extent based on a spread above the initial contractual pass-through rate at the time of sale, which does not exceed the weighted-average coupon on the loans. In certain instances, in lieu of a cap, Doral Financial has a call option on the pool of loans if the pass-through rate reaches a pre-determined rate below the weighted-average coupon on the loans. As of December 31, 2004, the carrying value of the IOs of $878.7 million is related to $7.0 billion of outstanding principal balance of mortgage loans sold to investors. As short-term interest rates increase, the spread received on the Company's retained interest decreases and adversely affects the value of the IOs. This may be offset, to some extent, by a reduction of prepayments and extension of the asset's life. Conversely, as short-term interest rates decrease, the spread received on the IOs increases, at the same time causing accelerated prepayments that shorten the life of the asset. MSRs are classified as servicing assets and IOs are classified as securities held for trading in Doral Financial's Consolidated Statements of Financial Condition.

The determination of the fair value of MSRs and IOs at their initial recording and on an ongoing basis requires considerable management judgment. Unlike U.S. Treasury and agency mortgage-backed securities, the fair value of MSRs and IOs cannot be determined with precision because they are not traded in active securities markets. For MSRs, Doral Financial determines their initial fair value on the basis of prices paid for comparable mortgage-servicing rights. Doral Financial also receives, on a quarterly basis, a third party valuation of its MSRs related to its FNMA, FHLMC and GNMA servicing portfolio. The third party valuation combines the use of a discounted cash flow model and the Company's specific economic and portfolio behavior assumptions. The analysis is run at a detailed level of stratification – 50 basis point note rate bands, by product type within investor remittance type. During 2004 and 2003, the market prices used to value Doral Financial's MSRs varied from 1.40% to 2.30% of the principal amount of the loans subject to the servicing rights, with servicing rights for GNMA mortgage-backed securities (backed by FHA/VA loans) having higher values than comparable servicing rights for conventional loans. The unamortized balance of Doral Financial's servicing assets reflected in Doral Financial's Consolidated Statements of Financial Condition as of December 31, 2004, 2003 and 2002, was $203.2 million, $167.5 million and $159.9 million, respectively. For additional information regarding the unamortized balance of Doral Financial's servicing assets and amortization for the year ended December 31, 2004, 2003 and 2002, please refer to Note 12 to Doral Financial's Consolidated Financial Statements.

To determine the fair value of its IO portfolio, Doral Financial engages in two external valuations with parties independent of the Company and of each other. One of them consists of dealer market quotes for similar instruments and the other one consists of a cash flow valuation model in which all economic and portfolio assumptions are determined by the preparer. In addition to these two independent valuations, the Company prepares an internal, static cash flow model that incorporates internally generated prepayment and discount rate assumptions and an expected retained interest rate spread based on 3-month LIBOR rates at the close of the reporting period. As of December 31, 2004, the 3-month LIBOR rate used in the internal valuation model was higher than those contracted with investors for payment prior to the next resetting dates. It is Doral Financial's policy to record as the fair value of the IOs the lowest of the three valuation sources.

Discount, mortgage prepayment and LIBOR rates change from quarter to quarter as market conditions and projected interest rates change. The cash flow and prepayment assumptions used in the internal valuation are drawn from historical performance of its retained interests and market data available, which Doral Financial believes is consistent with assumptions used by independent parties in valuating retained interests.

While Doral Financial has sold some IOs in private sales, currently there is no liquid market for the purchase and sale of IOs. The market multiple used by Doral Financial for the initial value of its IOs ranged from 4.95 to 5.50 during 2004, compared to a range of 4.75 to 5.50 during 2003. As of December 31, 2004 and 2003, the carrying value of IOs reflected in the Consolidated Statements of Financial Condition was $878.7 million and $578.1 million, respectively. The initial recorded value of IOs is amortized over the expected life of the asset. The amortization is based on the amount and timing of estimated future cash flows to be received with respect to IOs. For additional information regarding the carrying value of Doral Financial's IOs and amortization for the year ended December 31, 2004, 2003 and 2002, please refer to Note 13 to Doral Financial's Consolidated Financial Statements.

The value of Doral Financial's MSRs and IOs is very sensitive to interest rate changes. Once recorded, Doral Financial periodically evaluates its MSRs for impairment. Impairment is defined generally as a reduction in the current fair value below the carrying value. If the MSRs are impaired, the impairment is recognized in current period earnings and the carrying value is adjusted through a valuation allowance. Prior to July 1, 2002, Doral Financial recorded impairment charges as a direct write-down of servicing assets. The valuation allowance is adjusted to reflect the amount, if any, by which the cost basis of MSRs exceeds their fair value. If the value of MSRs subsequently increases, the recovery in value is recognized in

Interest Rate Sensitivity Analysis. Doral Financial employs a variety of measurement techniques to identify and manage its interest rate risk, including the use of an earnings simulation model to analyze net interest income sensitivity to changing interest rates. The model is based on actual cash flows and repricing characteristics for on-balance and certain off-balance sheet instruments and incorporates market-based assumptions regarding the effect of changing interest rates on the prepayment rates of certain assets and liabilities. Assumptions based on the historical behavior of deposit rates and balances in relation to changes in interest rates are also incorporated into the model. This sensitivity analysis is limited by the fact that it is performed at a particular point in time based on a static balance sheet, is subject to the accuracy of various assumptions, including prepayment forecasts, and does not incorporate other factors that could impact Doral Financial's overall performance in each scenario. Accordingly, the estimates resulting from the use of the model should not be viewed as an earnings forecast. Actual results will differ from simulated results due to timing, magnitude, and frequency of interest rate changes as well as changes in market conditions and management strategies.

The Asset/Liability Management Committee, which comprises members of senior management and reports to Doral Financial's Board of Directors, monitors interest rate risk within Board-approved policy limits. Doral Financial's current interest rate risk policy limits are primarily determined by measuring the anticipated change in net interest income over a 12-month horizon, assuming a 100- and 200-basis point linear increase or decrease in interest rates. The current policy limits this exposure to a 30% reduction in net interest income for a 12-month horizon under a 200-basis point increase or decrease in interest rates.

In order to improve the Company's interest rate risk modeling capabilities, Doral Financial made significant enhancements to its modeling program during the fourth quarter of 2004. One of the most significant improvements in the model is that the mortgage loan and mortgage-backed securities portfolios are now segregated by product type, coupon and maturity, and the effect of changes in interest rate is applied to each group separately. The previous model considered these portfolios using a single instrument approach (average coupon and average remaining maturity). The changes under the new approach capture sensitivity better than the previous model.

Certain of the Company's liabilities are callable at the option of the lender. The new model utilizes an option-adjusted spread methodology to enhance its ability to estimate the probability the call will be exercised. The previous model used a static approach to estimate such probability. Under a rising rate scenario, a higher proportion of liabilities are pre-paid and hence re-priced at higher rates with the new model. These changes, together with some new derivative positions undertaken, have the effect of significantly changing the results of the sensitivity analysis when compared to the figures calculated under the old model.

The following table shows Doral Financial's net interest income sensitivity profile as of December 31, 2004.

Table X – Interest Rate Sensitivity

As of December 31, 2004	
Change in Interest Rates (Basis Points)	Percentage Change in 12-Month Net Interest Income
+200	(17.3%)
+100	(11.8%)

-100	11.8%
-200	14.6%

Given a 100- and 200-basis point linear increase in the yield curve used in the simulation model, it is estimated that Doral Financial's net interest income would decrease by 11.8% and 17.3% over one year. The decrease in net interest income could be somewhat offset by hedging gains resulting from derivative transactions used to manage Doral Financial's exposure to interest rate changes. The model assumes that the portfolios of loans held for sale reprice at least twice a year, and the portfolio of securities held for trading reprice monthly, as such assets are sold and replaced with new assets at current market rates. The simulation model does not consider the possible redeployment of the Company's money market instruments into higher-yielding tax-exempt securities. A 100- and 200-basis point parallel linear decrease in interest rates would increase net interest income by 11.8% and 14.6%, respectively, over one year. The increase in net interest income could be somewhat offset by hedging losses resulting from derivative transactions used to manage Doral Financial's exposure to interest rate changes. All these estimated changes in net interest income are within the policy guidelines established by Doral Financial's Board of Directors. In both upward and downward rate scenarios, the increase or decrease in rates was modeled over a specific time period (3-6 months) rather than applying an instantaneous shock in rates, in order to reflect what has been the historical trend of changes in market rates.

While the sensitivity model serves as a useful tool for measuring short-term risk to future net interest income, at this time it does not measure the sensitivity of the market value of Doral Financial's assets or other sources of income such as trading